Government of Saskatchewan

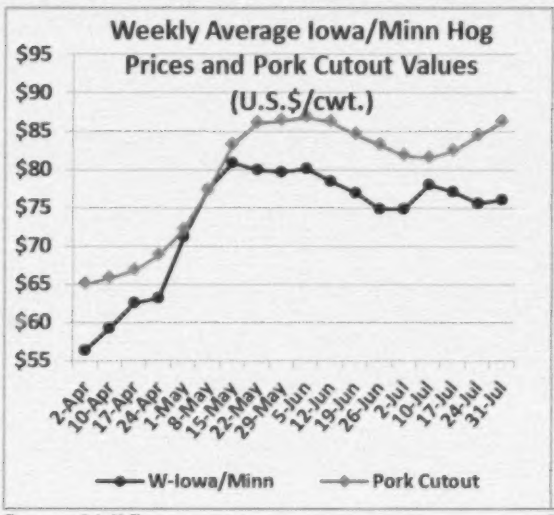
This information is provided as a resource by Saskatchewan Agriculture staff.
All prices are in Canadian dollars unless otherwise noted.
Please use this information at your own risk.

Weekly Hog Report

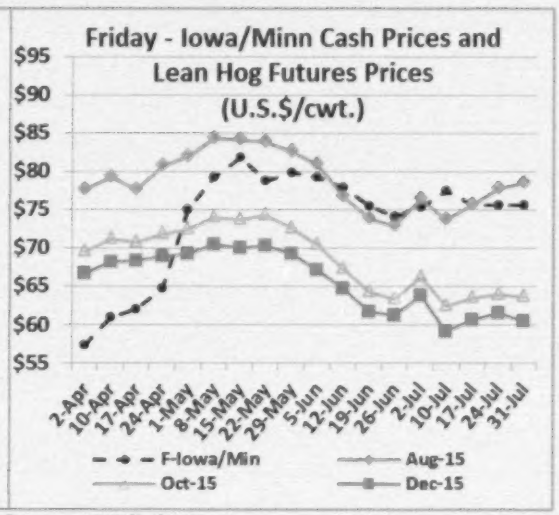
August 4, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) have been relatively steady the last few weeks. Hog prices on Friday July 31 averaged US$75.54 per cwt, up slightly from US$75.53 per cwt the previous Friday. The negotiated base price last week averaged US$76.09 per cwt, up US$0.54 per cwt or 0.7 per cent from US$75.55 per cwt the previous week. Strengthening pork cutout values should be positive for hog prices.



Source: LMIC



Source: LMIC, CME

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday July 31, 2015 was $181.32 per ckg, down slightly from $181.45 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $180.09 per ckg, up slightly ($0.37 per ckg) from the previous weeks' average price of $179.72 per ckg, but up over $10 per ckg from $169.61 per ckg the week of June 26. Signature#3 weekly prices over the last four weeks of July averaged just over $180 per ckg, helped by a weakening Canadian dollar. The Canadian dollar edged lower last week to close Friday at 76.45 cents; down 0.27 cents from the previous Friday's close of 76.72 cents, and down 4.75 cents from 81.20 cents on June 26, 2015.

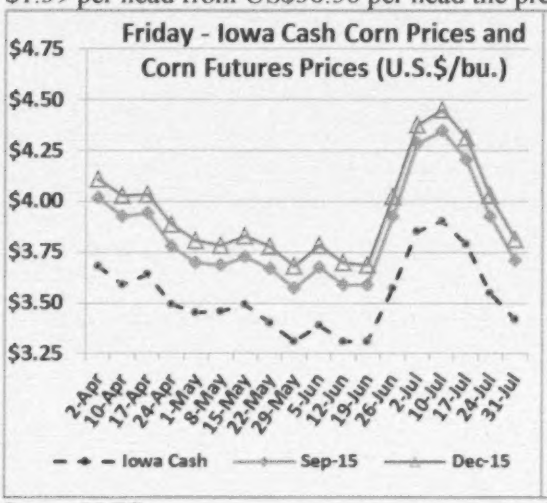
Futures Markets

Lean hog futures daily prices were relatively mixed in July with most of the price gains the first week in July. The nearby August contract managed some gains over the last four weeks in July, while the October and December contracts were overall lower. Lean hog

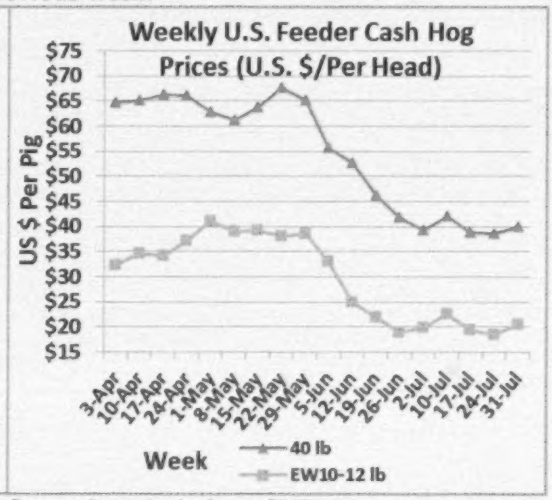
futures daily prices were mixed last week with the nearby August 2015 contract increasing US$0.825 per cwt to settle Friday at US$78.500 per cwt. The October contract declined US$0.300 per cwt to settle Friday at US$63.725 per cwt, while the December contract declined US$1.075 per cwt to settle last Friday at US$60.450 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed but relatively more steady in July, than June. Weighted average cash prices for iso-weans (12lb) last week were US$20.49 per head, up US$2.10 per head from US$18.39 per head the previous week. Feeders (40lb) were US$39.95 per head, up $1.39 per head from US$38.56 per head the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices were mixed in July moving higher the first half of the month before declining the last half of July. Iowa cash corn prices declined 13 cents per bushel last week to settle Friday at US$3.42 per bushel. U.S. daily corn futures prices were higher early in July before declining the last two weeks. The September corn futures contract declined 21½ cents last week to settle Friday at US$3.71 per bushel, while the December corn futures contract also declined 21½ cents per bushel to settle Friday at just over US$3.81 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 1 were estimated at 2.132 million head, up 1.5 per cent from 2.101 million head the previous week, and up 14.0 per cent from 1.870 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks in July averaged 2.097 million head per week, up 12.9 per cent from 1.858 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending July 25, 2015 were estimated at 401,456 head, down 1.7 per cent from 408,548 head the previous week, but up 3.0 per cent from 389,597 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending July 25, 2015, were estimated to average 391,845 head, up 3.8 per cent from 377,665 head over the same period a year ago. Year-over-year, Canadian hogs slaughtered are up 2.9 per cent, at 11.954 million head.

In Western Canada, hogs slaughtered over the last four weeks ending July 25, 2015 averaged 160,845 head, down slightly from 161,245 head over the same four weeks a year ago. Western Canadian hogs slaughtered year-to-date totaled 4.949 million head, up about 3.0 per cent from 4.806 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending August 1, 2015 was estimated at 449.8 million lb., up 1.5 per cent from 443.0 million lb. the previous week, and up 12.9 per cent from 398.3 million lb. the same week a year ago. Pork production over the last four weeks in July was estimated to average 442.0 million lb., up 11.7 per cent from 395.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 1 totaled 436.8 million lb., down 1.2 per cent from 441.9 million lb. the previous week, and down 6.3 per cent from 466.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending July 25, 2015, was estimated to average 1.927 billion lb., up 5.1 per cent from 1.833 billion lb. over the same four weeks a year ago. Total U.S. meat production year-to-date for 2015 is estimated to be up 3.9 per cent compared to the same period in 2014.

United States Weekly Meat Production

(July 25) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	383.2	427.1	11.5%	7.6%
Beef	447.1	443.1	-0.9%	-4.1%
Chicken	877.5	940.8	7.2%	7.0%
Turkey	125.4	115.6	-7.8%	-1.3%
Total	**1,833.1**	**1,926.6**	**5.10%**	**3.88%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending August 1, 2015 averaged US$86.15 per cwt, up US$1.86 per cwt or 2.2 per cent from US$84.29 per cwt the previous week, but down 33.6 per cent from US$129.73 per cwt from a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending August 1, 2015 averaged US$232.73 per cwt, up slightly from US$232.67 per cwt from the previous week, but down 11.2 per cent from US$262.06 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending August 1, 2015 averaged US$134.23 per cwt, up slightly from US$134.10 per cwt the previous week, but down 29.9 per cent from US$191.51 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on July 22. The United States' pork stocks in cold storage totaled 632.2 million lb. on June 30, 2015, down 3.4 per cent from 654.8 million lb. on May 31, 2015, but up 17.6 per cent from 537.4 million lb. a year ago.

The United States' beef stocks in cold storage totaled 467.1 million lb. on June 30, 2015, down 1.9 per cent from 476.3 million lb. on May 31, 2015, but up 30.4 per cent from 358.2 million lb. on June 30, 2014.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 2.280 billion lb. on June 30, 2015, down 1.3 per cent from 2.309 billion lb. on May 31, 2015, but up 16.9 per cent from 1.950 billion lb. on June 30, 2014.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**June 30, 2014**	**May 31, 2015**	**June 30, 2015**
Pork	537,447	654,771	632,209
Beef	358,169	476,301	467,136
Chicken	591,350	739,063	722,477
Turkey	462,586	439,156	458,089
Total Combined	**1,949,552**	**2,309,291**	**2,279,911**

Source: NASS

USDA World Agricultural Supply and Demand Estimates

The July USDA WASDE report was released on June 10 and estimated that United States Red Meat and Poultry production for 2015 will be 95.216 billion lb., a slight increase from the June estimates, and a 3.3 per cent increase from 92.171 billion lb. produced in 2014. Pork production estimates for 2015 were increased by 0.51 per cent from the June estimates to 24.581 billion lb., and are estimated to be 7.61 per cent above 2014 pork production. U.S. beef production estimates in July were revised 0.77 per cent lower from June. United States meat production for 2015 is projected to increase for pork (+7.61%) and broilers (+5.04%), but decline for turkeys (-3.34%), and beef (-1.76%), from 2014.

USDA July World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	**Beef**	**Pork**	**Broiler**	**Turkey**	**& Poultry**
2013	**Annual**	**25,720**	**23,187**	**37,830**	**5,806**	**93,333**
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	June Proj.	24,009	24,456	40,317	5,604	95,137
2015	**July Proj.**	**23,824**	**24,581**	**40,492**	**5,564**	**95,216**
% Chg.	June - July.15	-0.77%	0.51%	0.43%	-0.71%	**0.08%**
% Chg.	**2014-2015**	**-1.76%**	**7.61%**	**5.04%**	**-3.34%**	**3.30%**
2016	**July Proj.**	**24,850**	**24,705**	**41,375**	**6,010**	**97,713**

Source: USDA June WASDE Report, July 10, 2015

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca